Value of Air Cargo Connectivity
3rd Istanbul Hub Seminar
April 27th 2017 Ozyegin University

Stephane Noll, IATA Regional Cargo Manager Europe

To represent, lead and serve the airline industry

Meet the International Air Transport Association

270 Airlines is the total number of IATA Member Airlines

" The Trade Association of the World Airlines "

IATA Provides numerous services to its members/customers.

" IATA Advocates " on Behalf of the Airline Industry

IATA

83% Is the percentage of global traffic represented by IATA

" IATA Helps developing Standards For the Industry "

Aviation in 2016…

3.8 billion
Passengers
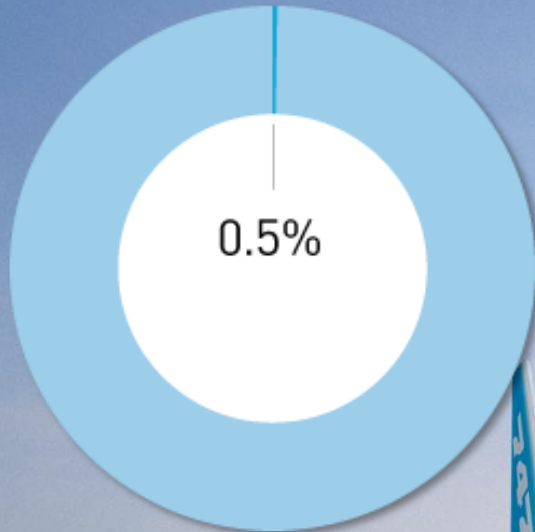
18,429
Unique city pairs

52 million
Freight tonnes

$**6.8** trillion
Trade carried

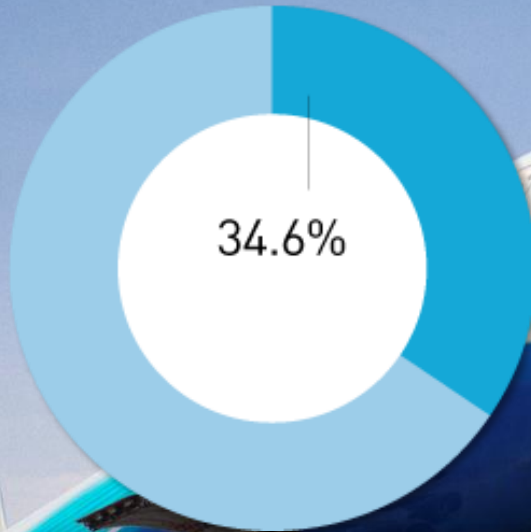Source: ATAG, IATA Economics **www.iata.org/economics**

AVIATION: POWERING WORLD TRADE
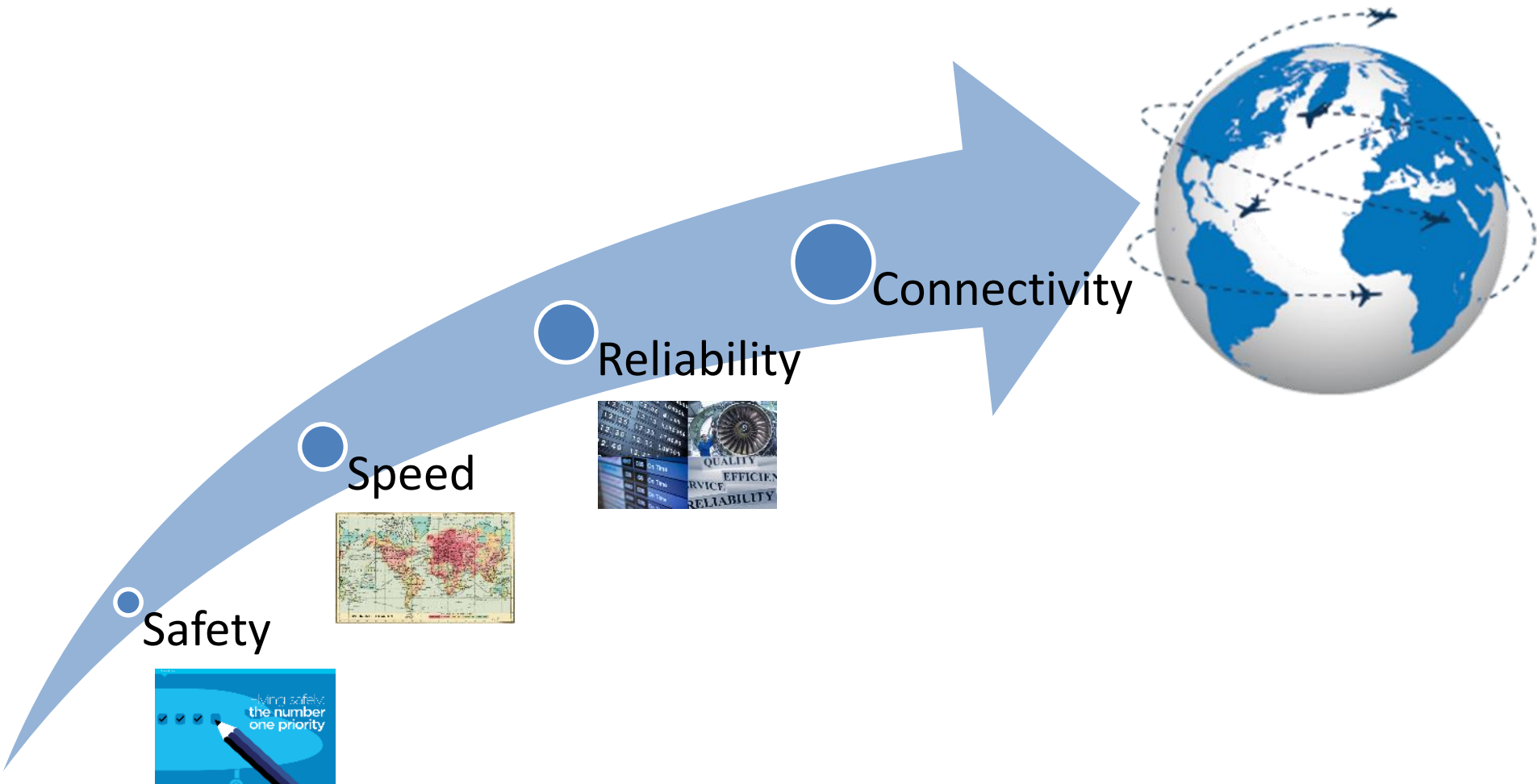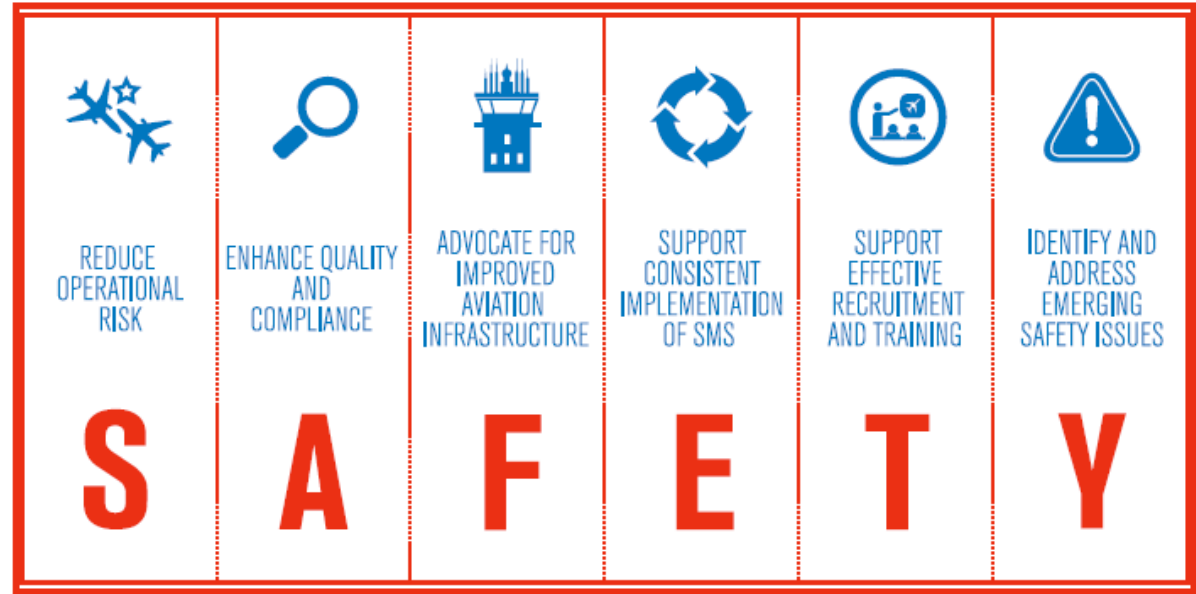## Lightweight by volume, Heavyweight by value!

By volume

0.5%

By value

34.6%

$6.8 trillion
Value of cargo handled
By air in 2016

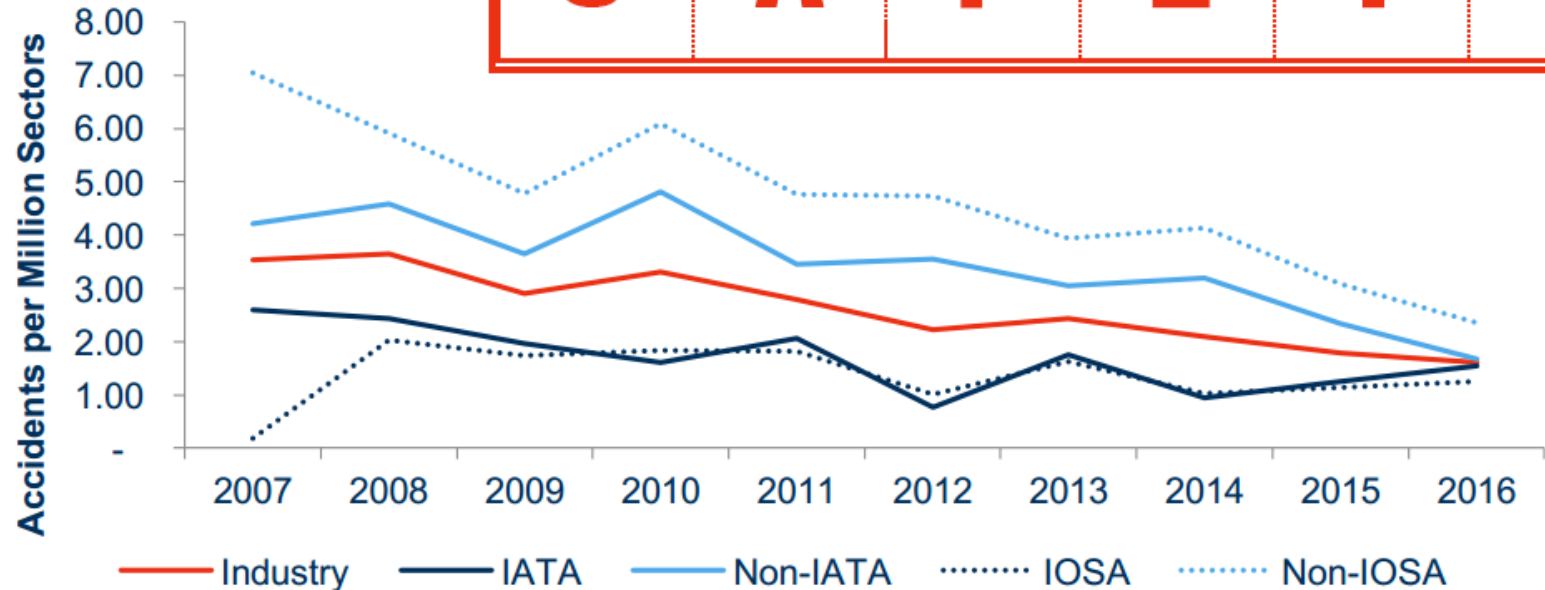Almost 340 billion letters and 6.7 billion *postal parcels* are sent every year

What are the key Air Cargo drivers ?

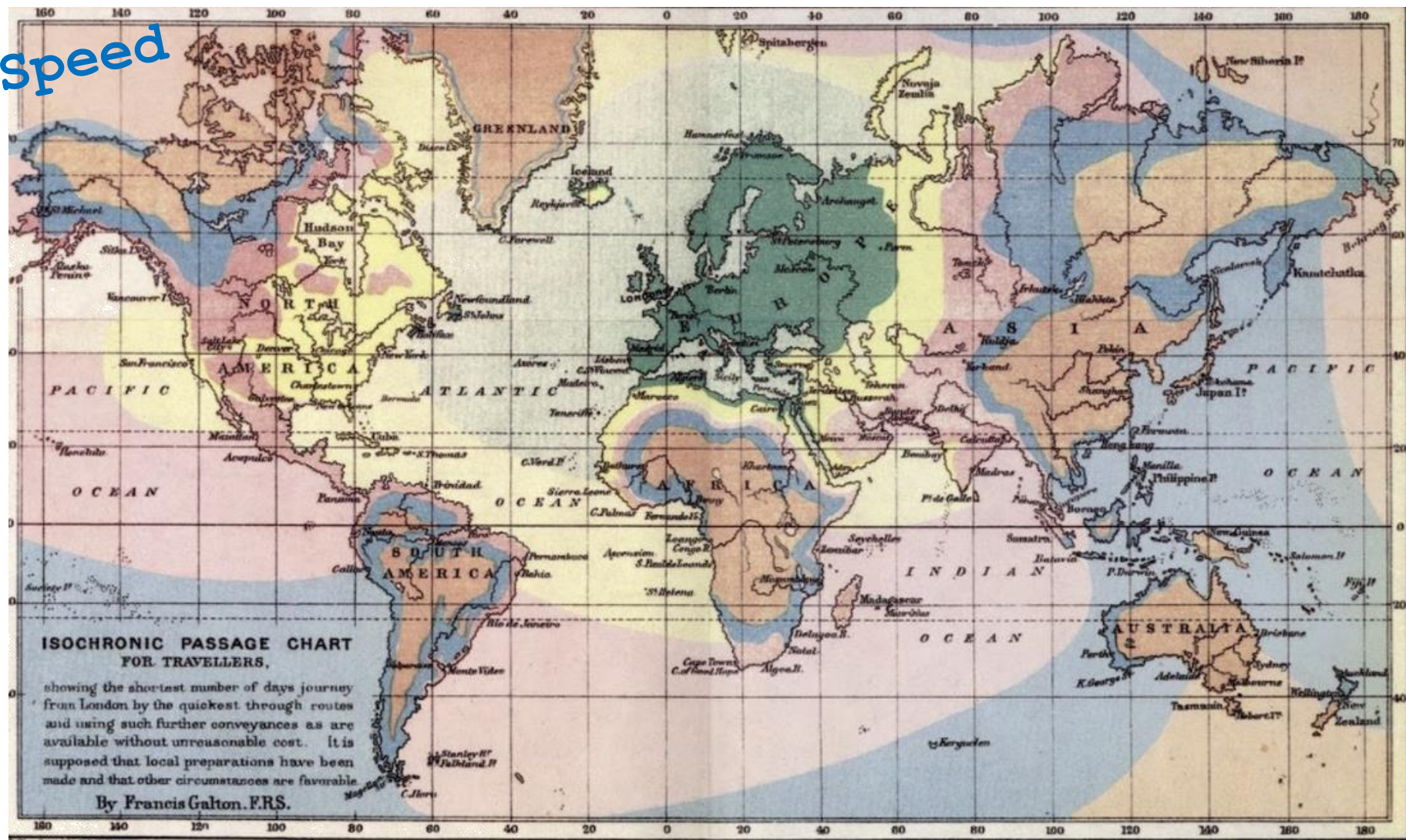Connectivity

Reliability

Speed

Safety

Safety

Flying safely: the number one priority

REDUCE OPERATIONAL RISK	ENHANCE QUALITY AND COMPLIANCE	ADVOCATE FOR IMPROVED AVIATION INFRASTRUCTURE	SUPPORT CONSISTENT IMPLEMENTATION OF SMS	SUPPORT EFFECTIVE RECRUITMENT AND TRAINING	IDENTIFY AND ADDRESS EMERGING SAFETY ISSUES
S	**A**	**F**	**E**	**T**	**Y**

Jet & Turboprop Aircraft

Accidents per Million Sectors — 2007 to 2016

Industry ——— IATA ——— Non-IATA ·········· IOSA ·········· Non-IOSA

speed

ISOCHRONIC PASSAGE CHART
FOR TRAVELLERS,

showing the shortest number of days journey
from London by the quickest through routes
and using such further conveyances as are
available without unreasonable cost. It is
supposed that local preparations have been
made and that other circumstances are favorable.
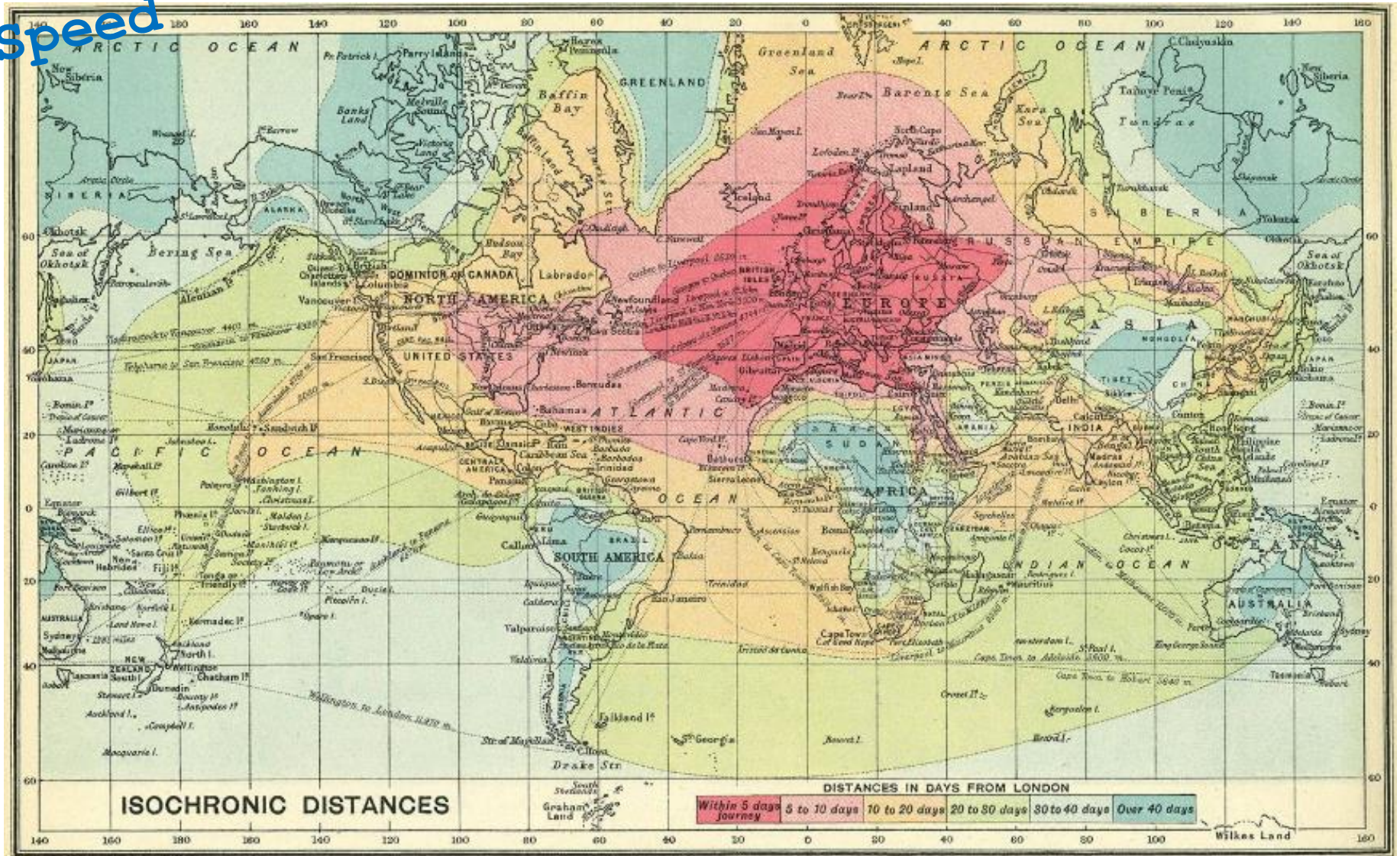
By Francis Galton. F.R.S.

Explanation of colours. Green ▮▮ within 10 days. Yellow ▯▯ 10-20 days. Pink ▮▮ 20-30 days. Blue ▮▮ 30-40 days. Brown ▮▮ more than 40 days journey.

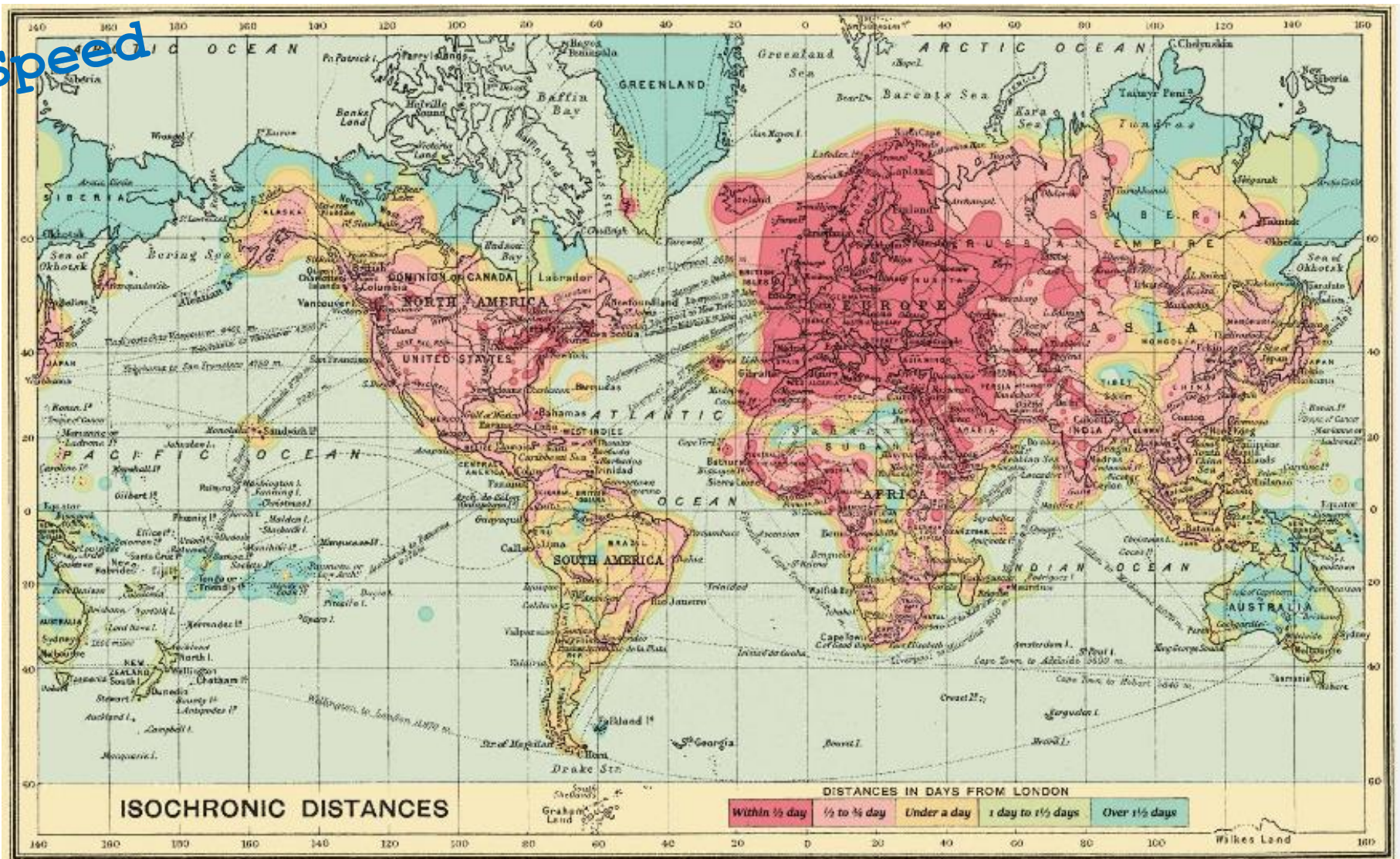Published for the Proceedings of the Royal Geographical Society, 1881.

1881

speed

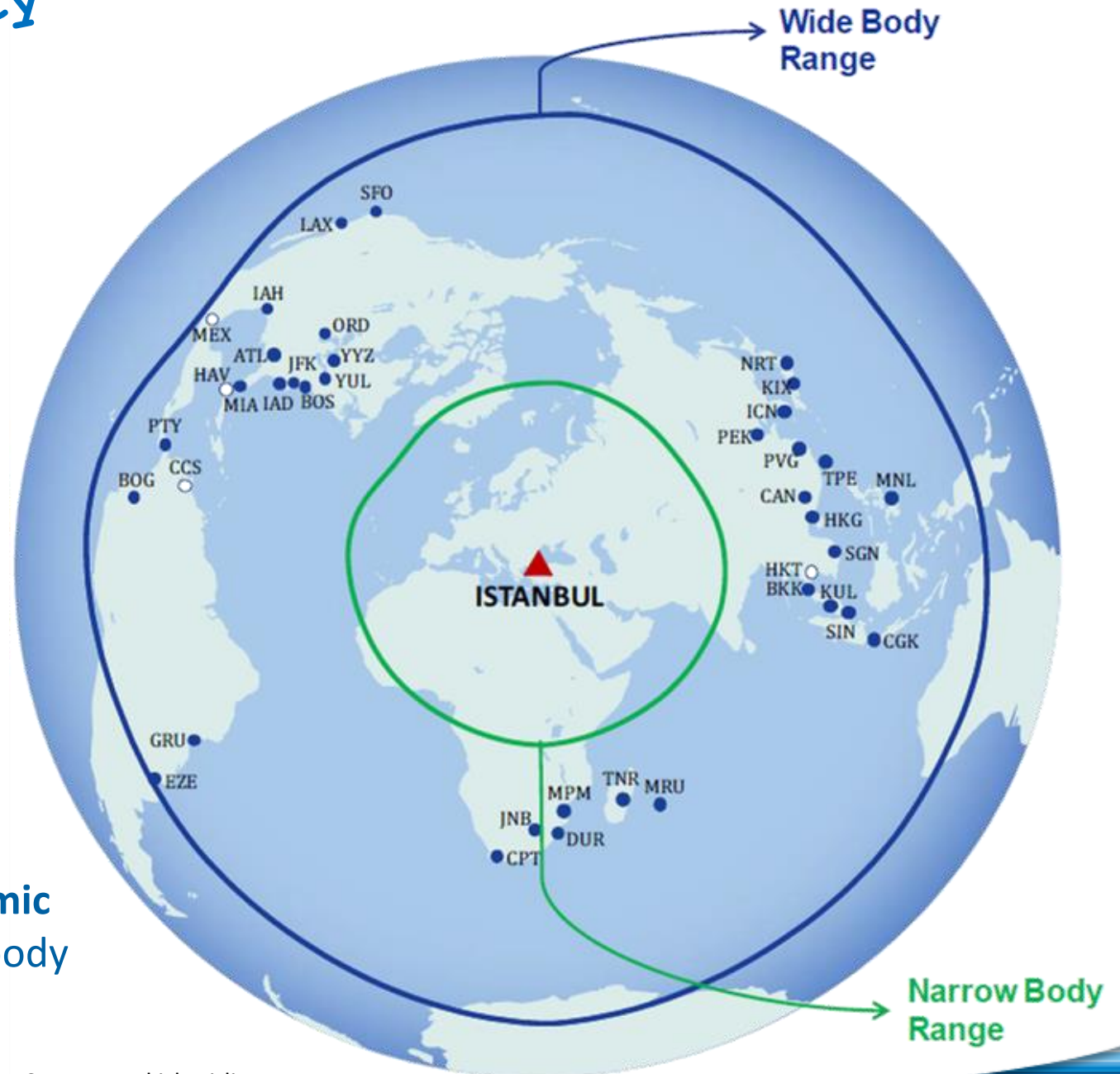ISOCHRONIC DISTANCES

DISTANCES IN DAYS FROM LONDON

| Within 5 days journey | 5 to 10 days | 10 to 20 days | 20 to 30 days | 30 to 40 days | Over 40 days |

1914

speed

ISOCHRONIC DISTANCES

DISTANCES IN DAYS FROM LONDON

| Within ½ day | ½ to ¾ day | Under a day | 1 day to 1½ days | Over 1½ days |

2016

Reliability

Connectivity

Over **95%** of the **world population** and **economic activities** within wide body range from Istanbul!

Source: Turkish Airlines

Connectivity

i.e. : Direct access to landlocked countries

- ● Landlocked countries with access to international waters
- ● Landlocked countries with NO access to international waters
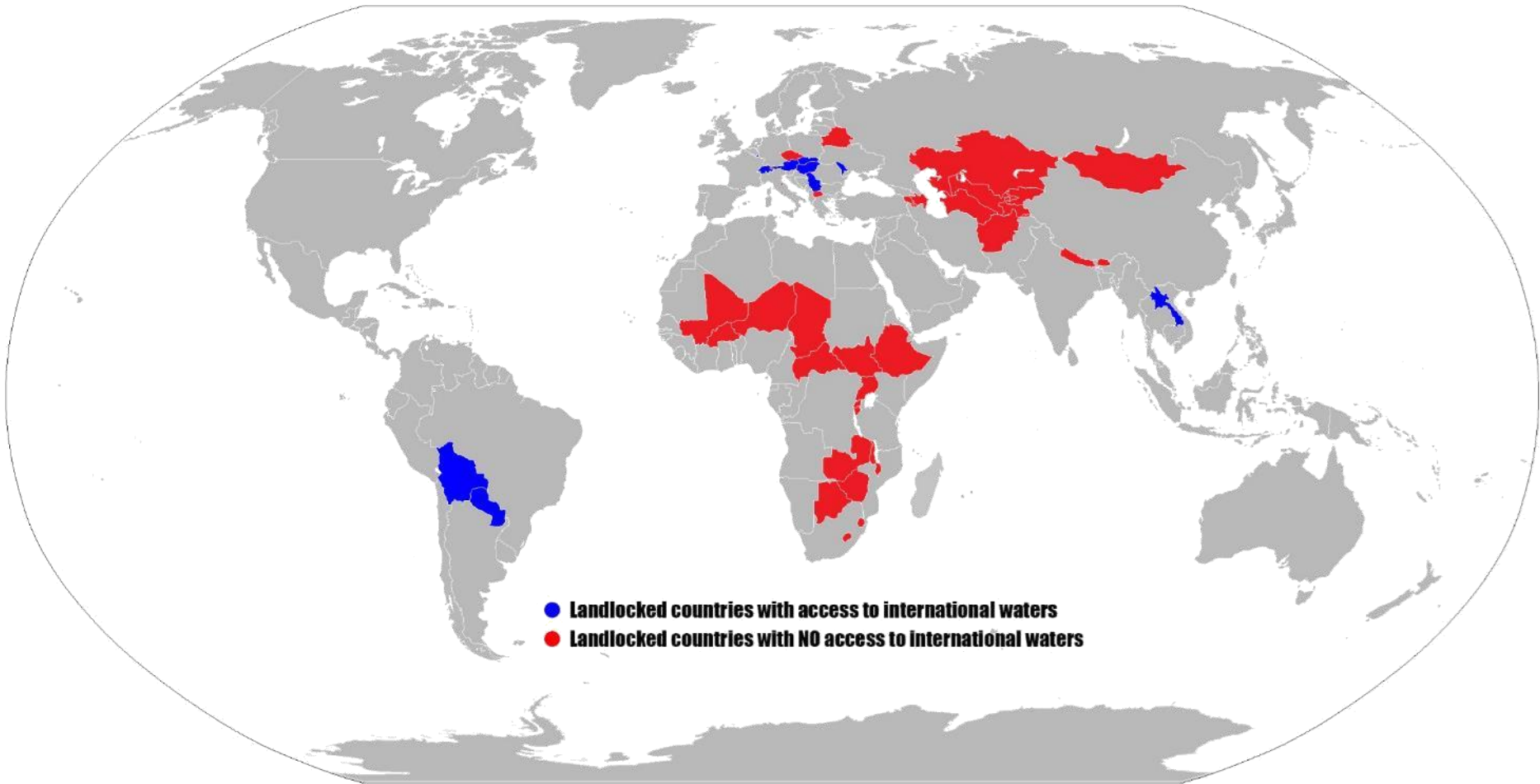
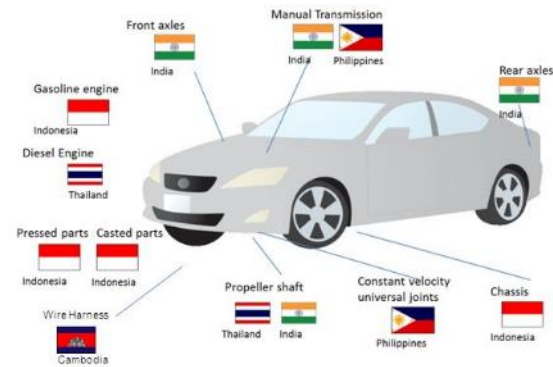# IATA study on the value of Air Cargo

Study on the Value of Air Cargo: Air Transport and Global Value Chains
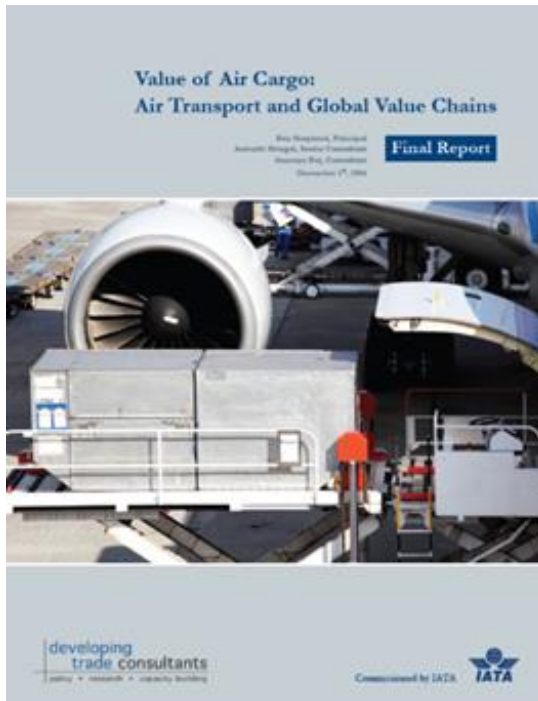
*Countries with more **developed air cargo connections** and **smarter borders** are **more integrated into Global Value Chains** reaping the associated benefits.*

IATA Economics www.iata.org/economics

IATA study on the value of Air Cargo

Essential for integrating into Global Value Chains

Source: Klaus Meinhardt, JETRO2012, ATAG, pinterest.com

IATA study on the value of Air Cargo

Textile and Apparel case study for Turkey :
In the year 2015, 5% of total EU imports and 17% of total US imports from Turkey were transported by air.

Some Air Cargo customers feedback!

"Other modes are moving faster"

"We need a Cargo cloud where everybody is connected"

"we need more visibility and transparency"

"Air cargo processes have not been modernized over the last twenty years"

"Air cargo is often a black space"

Shipper's voice:
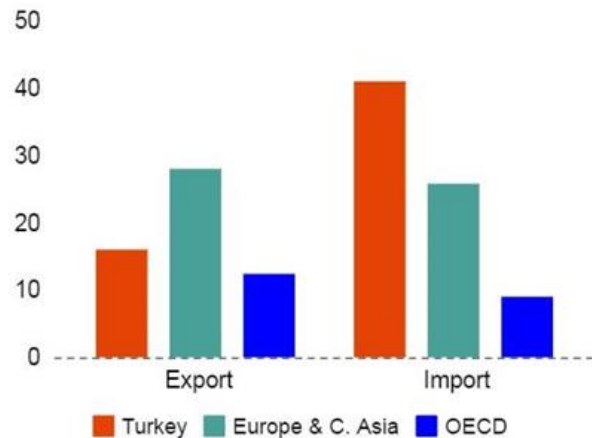European Shipper Council 'White Paper' 2014
World Cargo Symposium Shipper Panel, March 2015
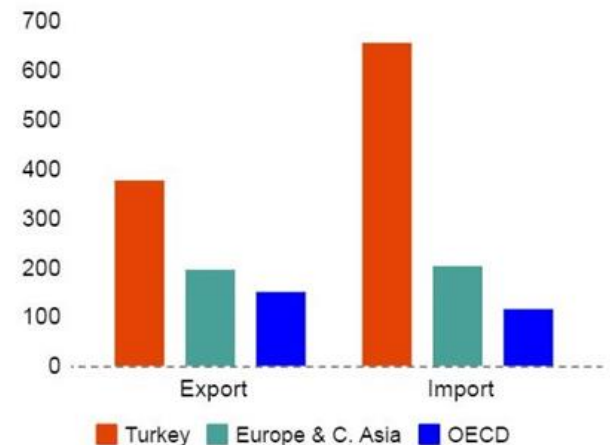
Why Air Cargo full potential limited?

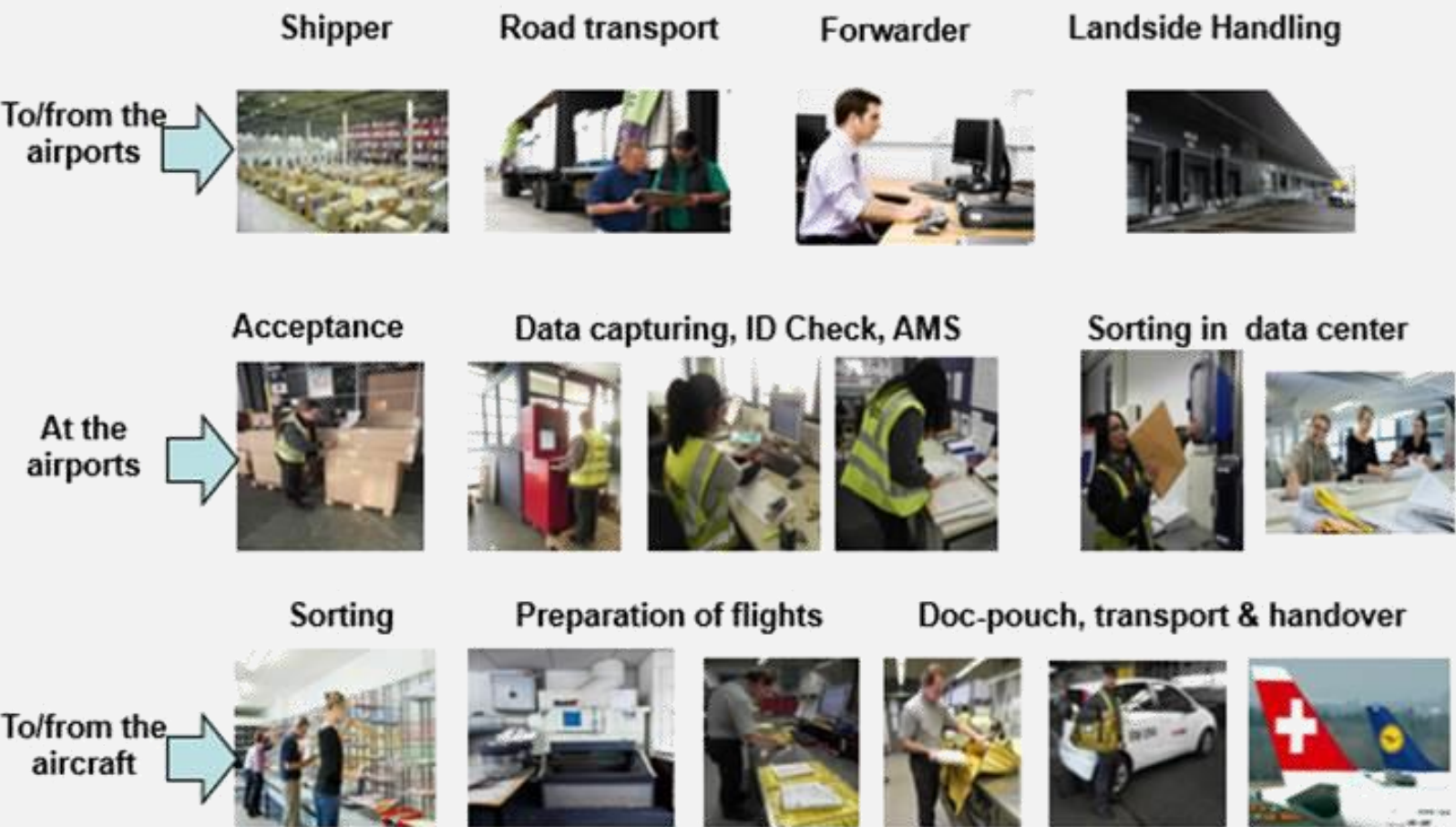### Cross-border challenges is limiting Air Cargo potential

(source 'Doing Business' index, World Bank)

What do we do about it?

Digitized the Air Cargo process alike for the Passenger!

What do we do about it?

e-Freight is an industry-wide program that aims to build an
end-to-end paperless transportation process for air cargo made possible with
regulatory framework, modern electronic messages and high quality of data

e-Freight is part of the StB Cargo program aiming at making air cargo easier, smarter and faster. The program portfolio holds 5 projects with the objective to accelerate change in the areas of digitization, visibility and safety

e-Freight
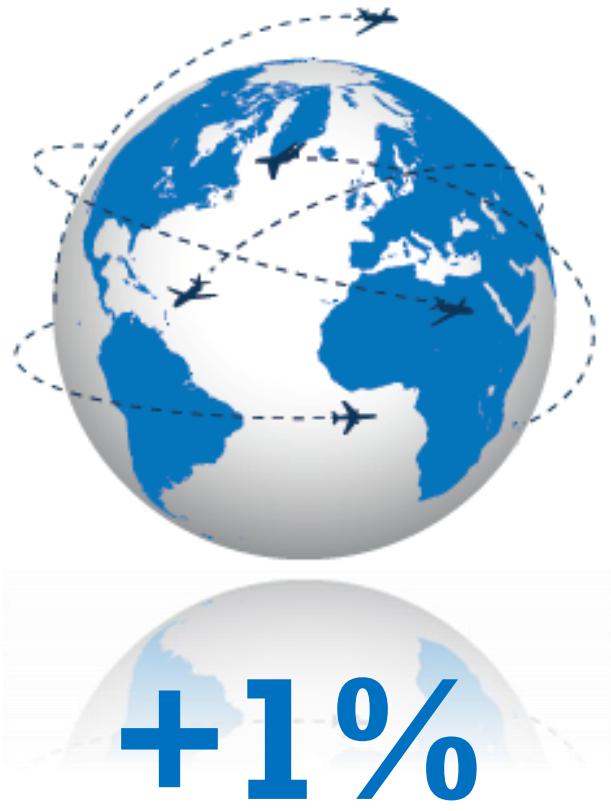& e-AWB

Digital
Cargo

Interactive
Cargo

Smart
Facility

ACID - Air Cargo
Incidents Database

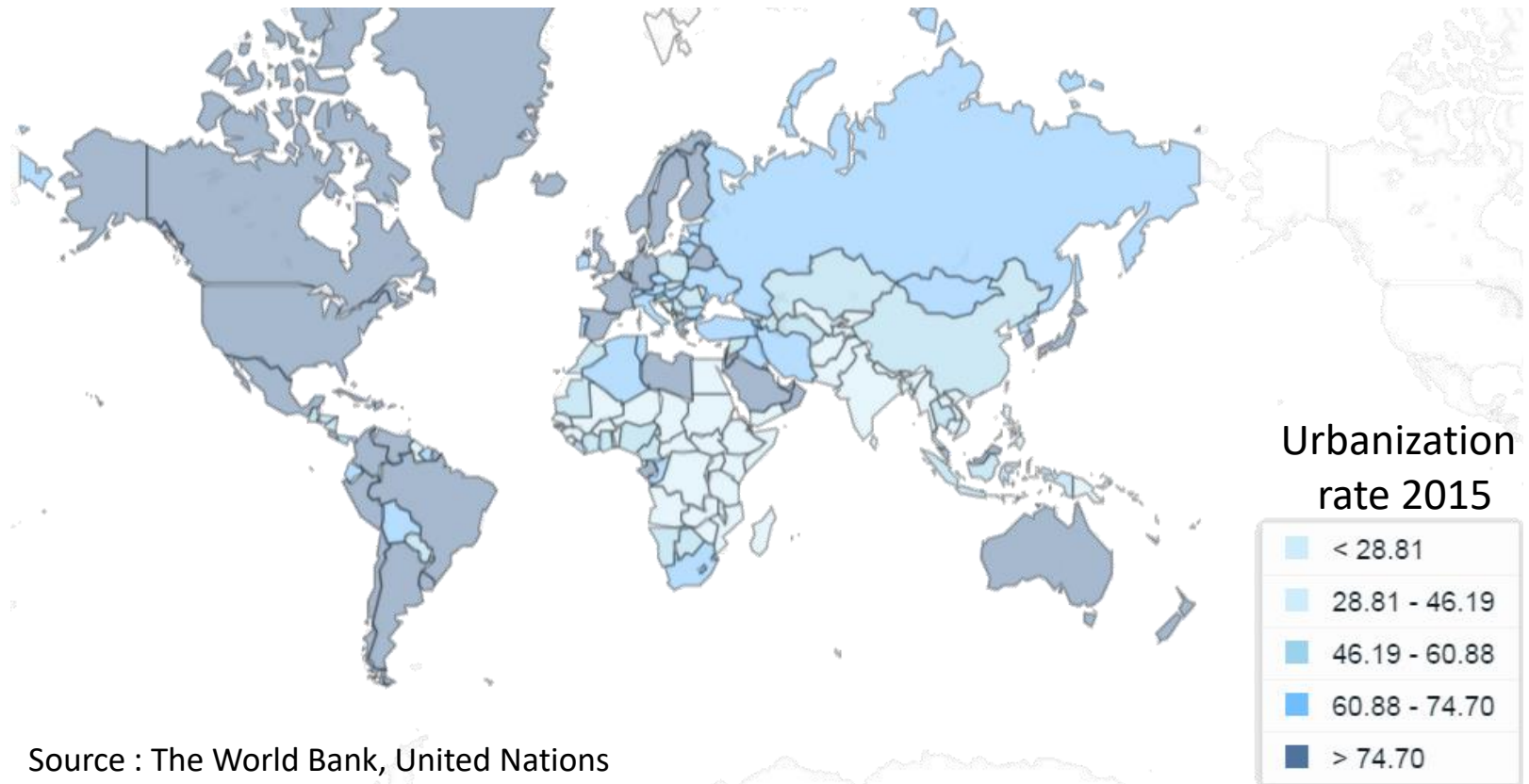# Why digitization is key for Air Cargo connectivity?

+1% = **+6%**

To conclude…

Aviation is critical for our modern life.

The **Air Cargo Customer experience** through IST will be critical to **connect global markets** to **power the Turkish economy**!

Urbanization rate 2015

☐	< 28.81
☐	28.81 - 46.19
☐	46.19 - 60.88
☐	60.88 - 74.70
☐	> 74.70

Source : The World Bank, United Nations

24 HOURS in Air Cargo

OVER 80,000 flowers transported

100,000 planes take off

20 MILLION parcels sent

140,000 tonnes of cargo carried

QUESTIONS ?

6,849 lives saved!

OVER 200 race horses transported

1.1 MILLION smartphones transported

898 MILLION letters sent

THANK YOU

twitter.com/iata

GVA : Stephane Noll
nolls@iata.org

IST : Okan Ogur
oguro@iata.org

Cargo tracker
iata.org/optin

iata.org/cargo